

**VILLAGE OF ALMONT
RESOLUTION NO. 14-08-04**

At a regular meeting of the Village Council of the Village of Almont, Lapeer County, Michigan, held on August 19, 2014.

PRESENT: Dyke, Love, Peltier, Steffler, Tobias, Schneider

ABSENT: Lauer

The following resolution was moved by Dyke and supported by Peltier:

**RESOLUTION AUTHORIZING ISSUANCE OF
GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2014**

WHEREAS, the Village Council of the Village of Almont (the “Village”) has determined to undertake capital improvements to the Village’s water supply system (the “System”) consisting of a new water booster station to be located on Almont Road in the Township of Almont (the “Project”); and

WHEREAS, the Village is authorized to issue bonds under Section 517 of Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”) and use the proceeds of the sale of such bonds to pay all or part of the cost of capital improvement items such as the Project; and

WHEREAS, the Village has determined that it is in the best interest of the Village to issue bonds under Section 517 of Act 34 for the purpose of paying all or part of the cost of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF ALMONT, LAPEER COUNTY, MICHIGAN, as follows:

1. AUTHORIZATION OF BONDS - PURPOSE. Bonds of the Village aggregating the principal sum of Six Hundred Fifty Thousand Dollars (\$650,000), or such lesser amount determined by the Village Manager pursuant to Section 22 hereof, shall be issued and sold for the purpose of defraying all or part of the cost of the Project.

2. BOND DETAILS. The Bonds shall be designated “General Obligation Limited Tax Bonds, Series 2014;” shall be dated the date of delivery thereof; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of each maturity of the Bonds or, if each maturity of the Bonds bears interest at the same rate and the Bonds are not initially issued through the book-entry-only system of DTC as described in Section 4 hereof, the Bonds shall be issued in the form of a single bond in the denomination of \$650,000 (or such lesser amount as determined by the Village Manager pursuant to Section 22) with an exhibit attached thereto showing the principal maturities and payment dates; shall bear interest at a rate or rates not exceeding 8% per annum to be determined upon the sale thereof, payable on April 1, 2015 and semiannually thereafter on the first days of April and October in each year; and shall mature on October 1, of each year as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2015	\$25,000	2021	\$50,000
2016	25,000	2022	50,000
2017	50,000	2023	75,000
2018	50,000	2024	75,000
2019	50,000	2025	75,000
2020	50,000	2026	75,000

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Bonds to the bond registrar and paying agent as they severally mature. Interest shall be paid to the registered owner of each Bond as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft mailed by the bond registrar and paying agent to the registered owner at the registered address.

4. BOOK-ENTRY SYSTEM. Initially, one fully-registered bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) for the benefit of other parties (the “Participants”) in

the book-entry-only transfer system of DTC. In the event the Village determines that it is in the best interest of the Village not to continue the book-entry system of transfer or that the interests of the holders of the Bonds might be adversely affected if the book-entry system of transfer is continued, the Village may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange bond certificates as requested by DTC and any Participant or “beneficial owner” in appropriate amounts in accordance with this Bond Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Village and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the Village may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the Village shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the Village and the bond registrar and paying agent shall be obligated to deliver bond certificates in accordance with the procedures established by this Bond Resolution. In the event bond certificates are issued, the provisions of this Bond Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Village and the bond registrar and paying agent to do so, the Village and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds certificated to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on the Bonds and all notices with respect to the Bonds shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of

Representations between DTC and the Village, and the President or the Village Manager is authorized to sign such Blanket Issuer Letter of Representations and such additional documents as he deems necessary or appropriate in order to accomplish the issuance of the Bonds in accordance with law and this Bond Resolution.

Notwithstanding any other provision of this Bond Resolution to the contrary, the Bonds shall not be initially issued through the book-entry-only transfer system of DTC if (a) the Village Manager determines that such book-entry-only transfer system of DTC is not in the best interest of the Village or (b) if the purchaser is willing to accept physical delivery of the Bonds in authorized denominations as set forth in Section 2 hereof.

5. MANDATORY PRIOR REDEMPTION. If any of the Bonds are designated by the original purchaser as term bonds such Bonds shall be subject to mandatory prior redemption at par and accrued interest in accordance with the maturity schedule set forth in Section 2 hereof and upon the terms and conditions set forth in the form of Bonds contained in Section 10 hereof. The Bonds to be redeemed shall be selected by lot.

6. OPTIONAL PRIOR REDEMPTION. The Bonds shall be subject to optional redemption prior to maturity upon the terms and conditions set forth in the form of Bonds contained in Section 10 hereof.

7. BOND REGISTRAR AND PAYING AGENT. The Huntington National Bank is hereby appointed as bond registrar and paying agent for the Bonds, and the Village Manager may enter into an agreement with the bond registrar and paying agent; provided, however, the Village Treasurer shall be the bond registrar and paying agent if the original purchaser of the Bonds accepts physical delivery of the Bonds upon the initial issuance thereof and agrees to the Village Treasurer serving in such capacity. The Village Manager may from time to time may designate, and may enter into an agreement with, a new bond registrar and paying agent, which shall be a bank or trust company located in the State of Michigan that is qualified to act in such capacity under the laws of the United States of America or the State of Michigan.

8. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The Bonds shall be executed in the name of the Village by the manual or facsimile signatures of the President and the Village Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the Village (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the Village Treasurer to the purchaser upon receipt of the purchase price. Additional Bonds bearing the facsimile signatures of the President and the Village Clerk and upon which the seal of the Village (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of Bonds. The bond registrar and paying agent shall indicate on each Bond the date of its authentication.

9. EXCHANGE AND TRANSFER OF BONDS. Any Bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond.

Each Bond shall be transferable only upon the books of the Village, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such Bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any Bond, the bond registrar and paying agent on behalf of the Village shall cancel the surrendered Bond and shall authenticate and deliver to the transferee a new Bond or Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond. If, at the time the bond registrar and paying agent authenticates and delivers a new Bond pursuant to

this section, payment of interest on the Bonds is in default, the bond registrar and paying agent shall endorse upon the new Bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____."

The Village and the bond registrar and paying agent may deem and treat the person in whose name any Bond shall be registered upon the books of the Village as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 3 of this Bond Resolution shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Village nor the bond registrar and paying agent shall be affected by any notice to the contrary. The Village agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of Bonds, the Village or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The bond registrar and paying agent shall not be required to transfer or exchange Bonds or portions of Bonds which have been selected for redemption.

10. FORM OF BONDS. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LAPEER
VILLAGE OF ALMONT
GENERAL OBLIGATION LIMITED TAX BOND
SERIES 2014

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
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Registered Owner:

Principal Amount:

The Village of Almont, County of Lapeer, State of Michigan (the "Village"), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution identified below, and to pay to the Registered Owner at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount until the Village's obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on the first days of April and October in each year, commencing on April 1, 2015. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds aggregating the principal sum of Six Hundred Fifty Thousand Dollars (\$650,000) issued by the Village under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the Village Council of the Village (the "Resolution") to defray all or part of the cost of improvements to the Village's water supply system. The full faith and credit of the Village have been pledged to the prompt payment of the principal of and interest on this bond. The principal of and interest on the bonds of this series are payable as a first budget obligation of the Village from its general funds. The ability of the Village to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the Village.

This bond is transferable, as provided in the Resolution, only upon the books of the Village kept for that purpose by the bond registrar and paying agent, upon the surrender of this

bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in authorized denominations as provided in the Resolution.

MANDATORY PRIOR REDEMPTION

Bonds maturing in the year ____ are subject to mandatory prior redemption at par and accrued interest as follows:

<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
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(REPEAT IF MORE THAN ONE TERM BOND)

Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.

OPTIONAL PRIOR REDEMPTION

Bonds maturing prior to October 1, 2024, are not subject to optional redemption prior to maturity. Bonds maturing on and after October 1, 2024, are subject to redemption prior to maturity at the option of the Village, in whole or in part, in such order as shall be determined by the Village, on any date on and after October 1, 2023. Bonds may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty days notice of redemption shall be given to the holders of bonds called to be redeemed by mail to the registered holder at the registered address. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the Village, including the series of bonds of which this bond is one, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the Village of Almont, Lapeer County, Michigan, by its Village Council, has caused this bond to be executed in its name by the manual or facsimile signatures of the President and the Village Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

VILLAGE OF ALMONT

(SEAL)

By: _____
Village Clerk

By: _____
President

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

THE HUNTINGTON NATIONAL BANK
Bond Registrar and Paying Agent

By: _____
Authorized Signer

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____ (please print or
type name, address and taxpayer identification number of transferee) the within bond and all
rights thereunder and does hereby irrevocably constitute and appoint _____
_____ attorney to
transfer the within bond on the books kept for registration thereof, with full power of substitution
in the premises.

Dated: _____

Signature Guaranteed

Signature(s) must be guaranteed by an eligible guarantor institution participating in a
Securities Transfer Association recognized signature guarantee program.

END OF BOND FORM

11. SECURITY. The Bonds shall be limited tax general obligations of the Village. The full faith and credit of the Village are pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the Village shall be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem property taxes on all taxable property within its corporate boundaries to pay such principal and interest as the same become due. The ability of the Village to raise funds to pay such amounts is subject to applicable constitutional, statutory and charter limitations on the taxing power of the Village.

12. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of and interest on the Bonds, or any portion thereof, shall have been deposited in trust, this Bond Resolution shall be defeased with respect to such Bonds, and the owners of such Bonds shall have no further rights under this Bond Resolution except to receive payment of the principal of and interest on such Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

13. PRINCIPAL AND INTEREST FUND. There shall be established for the Bonds a Principal and Interest Fund which shall be kept in a separate bank account. From the proceeds of the sale of the Bonds there shall be set aside in the Principal and Interest Fund any premium and accrued interest received from the purchaser of the Bonds at the time of delivery of the same. All payments made by the Village pursuant to Section 11 of this Bond Resolution are pledged for payment of the principal of and interest on the Bonds and as made shall be placed in the Principal and Interest Fund.

14. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the Bonds shall be set aside in a construction fund for the Project and used to acquire and construct the Project.

15. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimates of \$650,000 as the cost of the Project and of 12 years and upwards as the period of usefulness thereof, as submitted to this Village Council, are approved and adopted.

16. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Bonds is subject to approval being granted therefor by the Department of Treasury of the State of Michigan in accordance with Act 34, and the Village has been granted qualified status by the Department of Treasury as provided in Act 34.

17. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The Village Manager shall sell the Bonds at not less than 99% of their par value at a negotiated sale by means of sending a Request for Bids, in the form set forth in Section 21 hereof, to potential purchasers to be determined by the Village Manager after consultation with the Village's Registered Municipal Advisor. The Village Council hereby determines that the sale of the Bonds pursuant to such negotiated sale is the most cost effective and efficient way to sell the Bonds. Following the receipt of bids for the Bonds as provided for in this Bond Resolution, the Bonds shall be awarded to the successful bidder therefor pursuant to an order to be executed by the Village Manager. The President, the Village Clerk, the Village Treasurer and the Village Manager are each authorized to execute and deliver such certificates or documents as bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Bonds in accordance with the provisions of this Bond Resolution.

18. REPLACEMENT OF BONDS. Upon receipt by the Village Clerk of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Village Clerk, the Village Clerk may authorize the bond registrar and paying agent to deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Bond is lost, apparently destroyed or wrongfully taken, the Village Clerk may authorize

the bond registrar and paying agent to pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The bond registrar and paying agent, for each new Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the Village in the premises. Any Bond delivered pursuant the provisions of this Section 18 in lieu of any Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

19. TAX COVENANT. The Village covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes. The President, the Village Clerk, the Village Treasurer, the Village Manager and other appropriate Village officials are authorized to do all things necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes.

20. QUALIFIED TAX EXEMPT OBLIGATIONS. The Bonds are hereby designated as Qualified Tax Exempt Obligations as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

21. REQUEST FOR BIDS. Sealed bids for the purchase of the Bonds shall be received up to such time as shall hereafter be determined by the Village Manager. The Request for Bids to be sent to potential purchasers of the Bonds shall be in substantially the following form:

REQUEST FOR BIDS

VILLAGE OF ALMONT

COUNTY OF LAPEER, STATE OF MICHIGAN

\$650,000 GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2014

SEALED BIDS for the purchase of the above bonds (the “Bonds”) will be received by an agent of the undersigned at the office of Bendzinski & Co., Municipal Finance Advisors, 615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997, on _____, the ____ day of _____, 2014, until _____ o’clock, __.M., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Signed bids may be submitted by fax at (313) 961-8220, but no bid will be received after the time for receiving bids specified above and the bidder bears all risks of transmission failure.

BOND DETAILS: The Bonds will be fully registered bonds of the denomination of each maturity of the Bonds or, if each maturity of the Bonds bears interest at the same rate and the bonds are not initially issued through the book-entry-only transfer system of DTC (as hereinafter described), the Bonds will be issued in the form of a single bond in the denomination of \$650,000, in either case dated the date of delivery thereof, and will bear interest from their date payable on April 1, 2015, and semi-annually thereafter.

The Bonds will mature on the first day of October as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2015	\$25,000	2021	\$50,000
2016	25,000	2022	50,000
2017	50,000	2023	75,000
2018	50,000	2024	75,000
2019	50,000	2025	75,000
2020	50,000	2026	75,000

TERM BOND OPTION: Bidders shall have the option of designating Bonds maturing in the years 2015 through final maturity as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2015 through final maturity represent a serial maturity or a mandatory redemption requirement for a term bond maturity. There may be more than one term bond designated. In any event, the above principal amount scheduled for the years 2015 through final maturity shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION:

A. MANDATORY REDEMPTION. Bonds designated as term bonds shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The Bonds or portions of Bonds to be redeemed shall be selected by lot.

B. OPTIONAL REDEMPTION. Bonds maturing on and after October 1, 2024, shall be subject to redemption prior to maturity, at the option of the Village, in whole or in part, in any order, on any date on and after October 1, 2023. Bonds of a denomination greater than \$5,000 may be redeemed in part in amounts of \$5,000 or any integral multiple thereof. If less than all of the Bonds maturing in any year are to be redeemed, the Bonds or portions of Bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the Bond or portion of the Bond called to be redeemed plus interest to the date fixed for redemption.

C. NOTICE OF REDEMPTION. Not less than thirty days' notice of redemption shall be given by mail to the registered owners of Bonds called to be redeemed at the registered address. Bonds or portions of Bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding 8% per annum, to be fixed by the bids therefor. The interest on any one Bond shall be at one rate only and all Bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate on the bonds shall not exceed 2 percentage points. No proposal for the purchase of less than all of the Bonds or at a price less than 99% of their par value will be considered.

BOOK-ENTRY-ONLY: The Bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. The Bonds will not be issued in book-entry form if the purchaser is willing to accept physical delivery of the bonds in authorized denominations described under "BOND DETAILS" above.

BOND REGISTRAR AND PAYING AGENT: The Huntington National Bank, Grand Rapids, Michigan, shall be the bond registrar and paying agent for the Bonds; provided that the Village Treasurer shall be the bond registrar and paying agent for the Bonds if the purchaser is willing to accept physical delivery of the Bonds and the purchaser agrees to the Village Treasurer serving in such capacity. The Bonds shall be payable as to principal in lawful money of the United States upon surrender thereof to the bond registrar and paying agent. Interest shall be paid to the registered owner of each Bond as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft mailed by the bond registrar and paying agent to the registered owner at the registered address. As long as DTC, or its nominee Cede & Co., is

the registered owner of the Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants and indirect participants. The Village may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Bonds are to be issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, to defray all or part of the costs of improvements to the Village's water supply system. The full faith and credit of the Village of Almont have been pledged to pay the principal of and interest on the Bonds as the same shall become due. The Village will be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem taxes on all taxable property within its corporate boundaries to pay the principal of and interest on the Bonds as the same shall become due. Taxes levied by the Village of Almont for the payment of such principal and interest will be subject to applicable constitutional, statutory and charter limitations.

AWARD OF BONDS: The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost to the Village. True interest cost shall be computed by determining the annual interest rate (compounded semiannually) necessary to discount the debt service payments on the bonds from the payment dates thereof to _____, 2014, and to the price bid, excluding accrued interest.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Dickinson Wright PLLC, attorneys of Detroit, Michigan, the original of which will be furnished without expense to the purchaser of the Bonds at the delivery thereof. The fees of Dickinson Wright PLLC for services rendered in connection with such approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Dickinson Wright PLLC has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

TAX MATTERS: The approving opinion of bond counsel will include an opinion to the effect that under existing law, the interest on the Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; such opinion will note, however, that certain corporations must take into account interest on the Bonds in determining adjusted current earnings for the purpose of computing such alternative minimum tax. The opinion set forth in clause (a) above will be subject to the condition that the Village comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Village has covenanted to comply with all

such requirements. Bond counsel will express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Village has designated the Bonds as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code.

The successful bidder will be required to furnish, at delivery of the Bonds, a certificate as to the “issue price” of the Bonds within the meaning of Section 1273 of the Code. Such certificate will include (i) for those maturities where 10% of each such maturity of the Bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the Bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the Bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public. In addition, if the successful bidder will obtain a municipal bond insurance policy or other credit enhancement for the Bonds in connection with their original issuance, the successful bidder will be required, as a condition of delivery of the Bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

In addition, the approving opinion of bond counsel will include an opinion to the effect that under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

CUSIP: CUSIP numbers will be imprinted on all Bonds of this issue at the Village’s expense. Neither the failure to print numbers nor an improperly printed number will constitute basis for the purchaser to refuse to accept delivery. The purchaser shall be responsible for requesting assignment of numbers and for the payment of any charges for the assignment of numbers.

DELIVERY OF BONDS: The Village will furnish Bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC, New York, New York, or by physical delivery, as requested by the purchaser as provided herein. The usual closing documents including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of the delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o’clock noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned. Payment for the Bonds shall be made in Federal Reserve Funds. The purchaser shall be prepared to pay for and take delivery of the Bonds on _____, 2014.

REGISTERED MUNICIPAL ADVISOR: Further information with respect to the Bonds may be

obtained from Bendzinski & Co., Municipal Finance Advisors, 615 Griswold Street, Suite 1225, Detroit, Michigan 48226-3997, Telephone (313) 961-8222, Fax (313) 961-8220, the Registered Municipal Advisor to the Village.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Bonds."

Village Manager
Village of Almont

22. REDUCTION OF PRINCIPAL AMOUNT OF BOND ISSUE. If the Village Manager shall determine that it is not necessary to sell the Bonds in the principal amount of Six Hundred Fifty Thousand Dollars (\$650,000) because of a reduction in the cost of the Project due to the receipt of construction bids therefor or otherwise, he may by order reduce the principal amount of Bonds to be sold to that amount deemed necessary, such reduction to be confirmed by the Village Manager at the time of the sale of the Bonds. In the event the principal amount of the Bonds is reduced pursuant to this section, the Village Manager shall reduce the amount of Bonds maturing in any one or more years as necessary.

23. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

YEAS: Tobias, Dyke, Peltier, Steffler, Schneider

NAYS: Love

RESOLUTION ADOPTED.

STATE OF MICHIGAN)
) SS:
COUNTY OF LAPEER)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Village Council of the Village of Almont, Lapeer County, Michigan, at a regular meeting held on August 19, 2014, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the open meetings act.

Village Clerk
Village of Almont